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SEPTEMBER 30, 1963

RICE PROSPECTS IN ASIA

DOMINICAN REPUBLIC TODAY

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

A WEEKLY MAGAZINE OF THE UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE

FOREIGN AGRICULTURE

Including FOREIGN CROPS AND MARKETS

SEPTEMBER 30, 1963

VOLUME 1 • NUMBER 39



Rice, major food of nearly half the world's people, promises to be in good supply again this year in Asia. (Story on p. 7.)

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Foreign Agriculture is published weekly by the Foreign Agricultural Service, United States Department of Agriculture, Washington, D. C. 20250. Use of funds for printing this publication has been approved by the Director of the Bureau of the Budget (December 22, 1962). Yearly subscription rate is \$5.50, domestic, \$8.00, foreign; single copies are 15 cents. Orders should be sent to the Superintendent of Documents, Government Printing Office, Washington, D. C. 20401.

Situation in the Dominican Republic

—some betterment at home, increased trade abroad

By LEON G. MEARS
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U.S. agricultural exports to the Dominican Republic during the past few years have followed almost exactly the curve of that country's economic and political fortunes. After reaching a low point in 1961—the final year of the turbulent Trujillo regime—U.S. shipments of farm products to this Caribbean republic rebounded sharply in the first months of 1962, reached record levels by mid-year, and have continued to expand at a record rate ever since.

During the last years of the Trujillo era, per capita food consumption as well as the general level of economic activity slumped. Since 1961, however, wages have been increased and unemployment reduced; consequently, the purchasing power of most Dominicans has risen. A new demand for food products has been the most striking result.

It is these better economic conditions at home—combined with higher prices received for sugar (the country's major export) and the substantial financial assistance received from the United States under the Alliance for Progress—that have led to the recent healthy expansion of foreign trade. Total Dominican exports in 1962 reached \$172 million, up one-fifth from the 1961 total. Total imports increased by an even wider margin, from \$69 million in 1961 to \$127 million in 1962. The United States is sharing in the increase, both as the Republic's principal agricultural market and as the major source of its imports—farm and nonfarm alike. Here is the trend of U.S. farm exports to the Dominican market in recent years:

Million dollars

1959	5.7
1960	4.1
1961	2.5
1962	9.9
1963 (Jan.-June)	10.9

The increase in exports has been materially assisted through the Food for Peace Program. A rice agreement and a corn agreement under Title IV of Public Law 480 were recently signed. Under these agreements, 50,000 metric tons of rice are to be shipped before the end of fiscal 1964, and 10,000 of corn before the end of calendar

1963. A 2-year Title IV tobacco program for \$6 million has also been signed. Finally, the Republic has just received a \$6-million loan from the Inter-American Development Bank to help finance a livestock development program. Included in the program are plans to import 20,000 head of breeding cattle, several hundred head of breeding hogs, and an undetermined number of baby chicks.

Major farm products moving from the United States to the Dominican Republic at present are rice, wheat, other grains and preparations, vegetables and preparations, tallow, dairy products, and breeding cattle.

Farm products move also in the other direction: the Dominican Republic is an important and growing source of U.S. agricultural imports. Sugar is the principal one, followed by coffee, cocoa, bananas, and cigar-type tobacco. U.S. imports of Dominican farm products jumped from \$76 million in 1961 to \$140 million in 1962.

Food consumption has changed

Until the past 2 years, the Dominican Republic was practically self-sufficient in the production of most food items. This was possible, however, not because food production was high but only because most Dominicans could not afford to buy as much food as they needed or wanted; consumption levels were far below minimum nutritional requirements.

Despite an overall increase in agricultural output in 1950-60, neither the production of food crops for domestic consumption nor the importation of food kept pace with the 41 percent growth in population that was registered during the decade. Heavy government interest in the major export crops such as sugar and coffee led to the mobilization of the country's agricultural resources largely for the production of these commodities. While agricultural exports averaged about \$140 million annually in the late 1950's, food imports lagged.

Average per capita food consumption in the Dominican Republic, in terms of energy value, fell from an estimated 2,110 calories daily in 1954 to 1,950 in 1958 and still further to about 1,875 in 1961. Sugar, tubers, and bananas and plantains were the leading sources of calories, together supplying almost half the total. Less than 10 percent came from protein sources such as meat, milk, eggs, cheese, and fish. Per capita consumption of grain products in 1958-61 was the lowest in Latin America—only about half the average of the 20 Republics.



Most sugarcane—chief Dominican export crop—is cut and loaded by hand. Above, experimental loading by machine.



Until their first harvests, settlers on land reform projects get U.S. food shipments under Title II of P.L.480.

Since 1961, increases in purchasing power, production of foodstuffs, and imports have raised per capita food intake about 20 percent in terms of energy value. Consumption levels are still well below minimum nutritional requirements and also well below the average for Latin America; but consumption of certain basic foods has expanded at an almost unbelievable pace. For example, per capita wheat flour consumption has increased by about 50 percent, edible oil by more than 50 percent, sugar by about 40 percent, and rice by almost 90 percent. These increases indicate an overall rise exceeding 20 percent, but there undoubtedly has been some compensating shift away from yuca, sweetpotatoes, plantains, and other low-quality foods.

Agricultural emphasis has shifted

The expansion of the sugar industry and the general economic policies of the Trujillo government during the 1950's, though leading to increased exports, damaged the economy as a whole. The effect would not have been so great if the returns from exports had been retained and invested within the country; but heavy expatriation of capital in those years contributed to the critical economic and social problems left behind after the government fell in 1961.

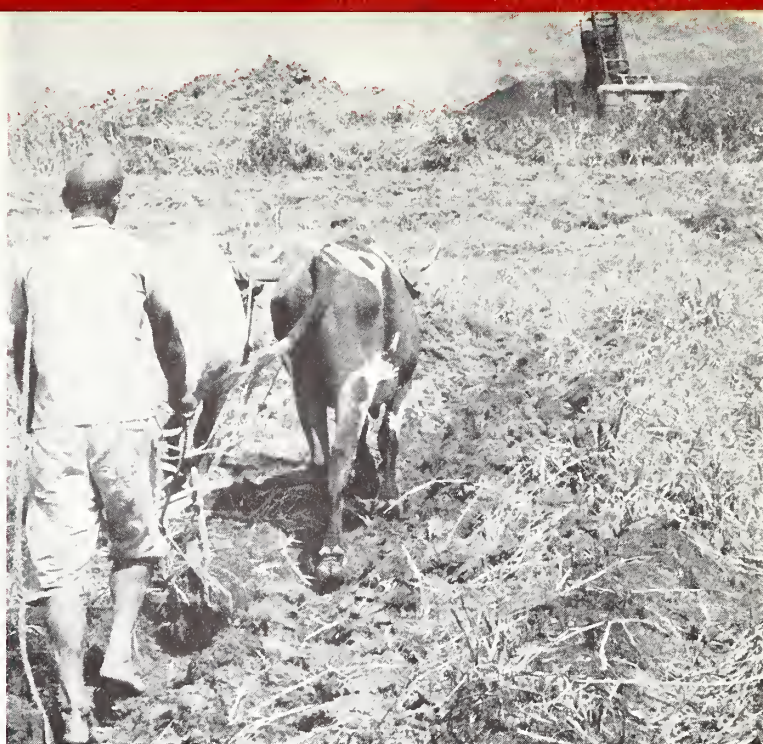
The present farm policy of the Dominican Republic, while not neglecting exports, calls for a maximum contribution by agriculture to the future economic development of the country. Agricultural programs are pointed toward achieving sizable increases in farm output through the introduction of advanced technology on a broad front. Particular emphasis is being given to establishing a more widely based agricultural economy, less subject to world market fluctuations for major export commodities.

Land reform and farm credit are being given special attention. After the fall of the Trujillo government, much of the extensive agricultural property of the Trujillo family and certain other persons associated with that government came under state control. Plans were made to distribute a significant portion of this land to landless farmers, with the aim of creating many owner-operated farm units large enough to provide not only an adequate livelihood but a progressive improvement in income for the farmer and his family.

The land distribution program was initiated soon after the Agrarian Reform Law was passed in 1962, and some 2,000 farm families have been settled to date. Another 3,500 families already living in the settlement areas are benefiting indirectly, through additional land and community services. Supervised credit loans are made to the new landowners, community development services provided, and U.S. food shipments made available to each farmer under Title II of P.L. 480 until his first harvest. Families are currently coming in at the rate of 300 a month. These people, formerly landless, and an average annual family income of \$300. It is estimated that in the first year of operations on their new land, their net income will average \$1,200 per family.

Plans called for 25,000 families to be settled between 1963 and 1967 on 1 million acres of government land. The Bosch government had stated that agrarian reform was the core of its economic development program, and had planned to give the land distribution project top priority in the years immediately ahead.

In the past, agricultural credit has not been available to the small farmer except at very high rates and on a short-term basis. In view of the urgent need, a national supervised agricultural credit program was initiated in



Land parcels are distributed by drawing lots. Farmer above has just drawn his ticket and is receiving a title. Above, right, clearing and plowing land for settlement; right, thriving dairy herd crosses road on way to milking.

1962. Its prime objective is to provide both short-term and intermediate-term credit for small farmers, in amounts up to \$3,000, with total charges—interest rate, surcharges, or fees—not to exceed 8 percent per year. Small farmers are defined as those who own or rent property but do not employ more than 3 farm laborers in addition to their families.

During 1962, small farmers received 37,086 loans totaling \$11.2 million. The Bosch government has accelerated the farm credit program, and during the first 5 months of 1963 there have been 26,722 loans totaling \$12.4 million. This program has been among the largest farm credit projects in Latin America.

Agriculture and trade prospects

A substantial rate of increase in farm productivity in the Dominican Republic can be achieved largely through more effective use of resources already committed to agriculture. The country has the productive land base, the favorable climate, and the labor supply needed; but investment of capital and technology in agriculture has been inadequate in the past, besides being limited mostly to the major export crops.

Of particular importance to the future of Dominican agriculture are the new programs for land reform and farm credit; but also important are the new programs for broadening and strengthening of developmental services, such as agricultural extension, education, and research. All these programs are designed to widen the range of the production possibilities available to farm operators.



A first task for agriculture is to meet the sharply expanding demand for food. This greater demand has already led to some shortages; and at current levels of consumption, any further increase in purchasing power will be reflected by a further increase in food purchases—if the food is available.

Until the growing demand for food can be met by domestic output, large imports will be necessary to stabilize the food supply. Substantial imports of breeding cattle, baby chicks, feed grains, seeds, and similar items will also be needed to implement the agricultural development programs. The market for U.S. farm products has expanded and could continue to do so if competitive prices and quality levels can be maintained. At present, the imported products are consumed by a relatively small proportion of the Dominican population; thus, the rest of the Dominicans represent a large potential market that should develop with any overall economic improvement. Continued increases are expected in Dominican agricultural production, consumption, and trade, given reasonable economic and political stability. Such stability currently hinges on developments following the military coup of this past Wednesday, September 25.

Common EEC Policy for Fats and Oils

The Commission of the European Economic Community has submitted to the Council of Ministers a proposal for a Common Agricultural Policy (CAP) on fats and oils. Heart of the policy is its emphasis on achieving common low prices for vegetable fats and oils within the Community.

The Commission's draft included a number of interrelated suggestions on how to attain the low-price goal without harming the interests of oilseed and olive producers within EEC and its associated states. If the Community accepts the proposal, it would adopt the following principles in its fats and oils policy:

- Maintain domestic oilseed production by direct financial aid to producers, providing funds through levies on the margarine and edible oils consumed in the Community;
- Maintain olive oil production through a system of price intervention and import levies;
- Continue to import oilseeds duty-free and, by 1970, apply the common external tariff system to oils and fats of vegetable or marine origin;
- Abolish customs duties on oils from the Associated African States and Madagascar (EAMA) and provide special preferential measures, in case of need, for imports of EAMA oilseeds; also, supply financial aid in the event of a major slump in world prices of edible oils.

Domestic oilseed production low

Background of the proposals on local oilseed production, as explained by the Commission, includes the fact that the Community's present output of vegetable and marine fats—approximately 150,000 tons a year (oil basis)—covers only a small share of its needs. More than half the total is rapeseed oil, with production heavily concentrated in France and West Germany; the rest is marine oil (primarily from West Germany, France, and the Netherlands), sunflowerseed oil (mostly from France), and minor quantities of oils from other vegetable sources.

The Commission noted the high degree of interchangeability among edible oils, and pointed out that those of vegetable and marine origin (except olive oil) are very close to each other in price. If oil prices were raised high enough for the necessary expansion of EEC oilseed production to meet Community needs, EEC consumers of margarine and edible oils would suffer hardship. Thus, the Commission recommended instead that oilseed producers be granted direct financial assistance.

To raise the funds that would be needed for this aid and other parts of the proposed program, the Commission proposed levying a tax on the vegetable and marine fats consumed in the Community—about 2.5 million tons a year. It estimated that an average tax of about 1.1 cent per pound on the consumer price of edible oil or margarine would provide more than \$50 million a year without any undue burden on consumers.

Margarine prices in the EEC currently range from a

low of 18.1 cents per pound in the Netherlands (which, with West Germany, produces 80 percent of the EEC's total margarine and edible oil output) to a high of 52.2 cents in Italy. But the Commission believes that as oilseed supplies rise, through duty-free imports and through increased domestic output, these varying prices should in the long run adjust themselves at the lowest of the levels now prevailing—even with the tax included.

Olive production important

The price situation is different for olive oil than for other vegetable oils. The Commission pointed out that many EEC consumers express a preference for olive oil of high quality by a willingness to pay the higher prices asked. There are, however, wide variations in the Community's olive oil production from year to year; and the Commission felt that adjustments must be made possible, to avoid either too sharp a rise in consumer prices in years of short crops or too big a slump in producer prices when the harvest is abundant.

The Commission proposed, therefore, a multiple price system for olive oil. A threshold price would be set and import levies collected. An "intervention" price would also be set, and olive oil offered at this price would be purchased and stored. Any olive oil surpluses resulting from the progressive lowering of other vegetable oil prices under the common policy would be sold at reduced prices, but in such a way as not to interfere with normal sales. The Commission also proposed that it cooperate with the Italian Government in setting up a program aimed at improving the conditions of olive and olive-oil production and marketing on the one hand, and at bettering the economic situation in the olive-growing regions on the other hand; and it recommended that EEC contribute funds toward this program.

Guarding EAMA interests

The Commission stressed the fact that EEC is committed to take into account the interests of the Associated African States and Madagascar in setting up its common agricultural policy. Any measure adopted for fats and oils should assure the EAMA a privileged place in Community markets, as well as assistance in case of unfavorable developments on world markets.

Oilseeds, both from the EAMA and from third countries, are already being imported duty-free, so no tariff preference is possible; but the Commission suggested that other measures be devised in case of need, to assure the EAMA a special position for its exports of these products to EEC. In particular, it mentioned the setting of a "minimum world price" for oil products; if world prices fell below this, the Community could grant financial assistance to EAMA exporters.

For vegetable oils from the EAMA, the Commission proposed the eventual abolition of customs duties, in line with the agreement among the Community's member states.

PROSPECTS FOR ASIA'S RICE CROP

By THELMA L. WILLAHAN
Grain and Feed Division, FAS



Rice hulls, Taiwan

Asia is probably going to have another big rice crop this season. The outlook is for a harvest that is somewhat better than 1962-63's crop of 132 million metric tons of rough rice. Prospects are brighter for the importing countries than for the exporters, most of whom had late rains and drought at planting time—late April to June.

Importing countries

India and Pakistan, whose combined production accounts for more than 40 percent of the Free World crop, are likely to have larger crops than their poor ones of 1962-63.

Japan and Korea both expect large crops. Japan's 1963-64 acreage approximates the high level of 1962-63, and production is forecast at only moderately below last year's record crop. South Korea's acreage is up, and abundant yields per acre are expected to bring in the largest crop on record.

Malaya experienced a severe drought at the time of planting and the latest report is that its crop may be at least 10 percent below last year's record harvest.

Exporting countries

Late rains in the major exporting countries—Burma, Thailand, and Cambodia—held up initial seeding and prevented planting of some of the intended acreages. However, generous rains fell in time to benefit the sown acreages.

Burma has increased production in recent years. Its large 1962-63 crop was estimated at 8.2 million metric tons of rough rice, compared with 7.8 million in 1961-62.

Thailand's rice crop is doing well, despite reduced plantings. It is estimated at about 10 percent below the 1962-63 record of 9,158,000 metric tons but at about the same level as the 1961-62 harvest of 8,246,000 tons.

The latest estimate of *Cambodia's* 1963-64 crop is about 1,300,000 tons of rough rice, compared with the record of

1,600,000 in 1962-63. Here, too, production is at about the same level as in 1961-62, but in that year, the crop was considered to be a small one.

Supply and demand

Carryover supplies from the unusually large 1962-63 crops in Asia's "surplus" countries are likely to offset partly the 1964 decrease in export availabilities. Rice exports from these countries so far in 1963 have been slow.

Burma's rice exports, which account for about 75 percent of that country's export earnings were low in the first quarter of 1963 but rose to a better level toward mid-year. Exports for the first 8 months were reported at 1,392,000 metric tons, compared with 1,533,000 in the same period of 1962—a decline of 9 percent. Burma's total 1963 exports will probably not reach the 1962 level of 1,757,000 tons, but because considerably larger quantities of rice are available for shipment than are being exported, there will probably be a large carryover for export in 1964.

Of the 971,000 tons of rice exported from Burma during January-May 1963, about 85 percent went to other Asian countries. The principal destinations were Indonesia, Ceylon, Pakistan, India, and Malaya.

Thailand's most recent estimate of export availabilities in 1963 is 1,500,000 metric tons—200,000 tons or 9 percent higher than the previous target. Thailand's rice exports during the first 7 months of 1963, at 887,000 tons, were 10 percent below those in the same months of 1962. About 79 percent of these went to Asia, principally to Indonesia, Hong Kong, Singapore, Malaya, and Japan. Because of these small shipments, Thailand is likely to have a large carryover for export in 1964.

Cambodia's rice exports have been declining in recent years but are expected to be up in 1963. That country's exports in 1956-60 averaged 200,000 tons of milled rice.

The world's three largest rice exporters in calendar year 1962 were Burma, Thailand, and The United States.

EEC Raises Duties on Pork and Lard

Higher import duties on pork cuts, pork variety meats, and lard from non-EEC producers became effective in all EEC countries on September 2, 1963.

At the same time, duties were raised on pork variety meats traded among EEC countries, and other pork cuts and lard became subject to the variable import levy system. A year ago (on July 30, 1962) hogs and hog carcasses became subject to the system.

In Germany, a \$6 million market for U.S. variety meats, the import duty on frozen pork livers and kidneys from third countries like the United States is now 20 percent ad valorem compared with 9.5 percent and 13 percent respectively prior to September 2. By contrast, Dutch and French pork livers and kidneys imported into Germany are now 14 and 7 percent.

Last year U.S. exports of variety meats to the six EEC countries were valued at \$16.4 million. This trade is not expected to be curtailed greatly in the immediate future since U.S. prices are competitive with other suppliers, and internal tariffs in the EEC also have been raised. In the years ahead, however, internal tariffs will be eliminated, and opportunities for non-EEC producers will continue to be limited by the high external tariff and the stimulus given EEC meat production by the CAP.

The new variable levies on lard are expected to greatly reduce U.S. exports to Germany, which has taken practically all of the U.S. lard shipped to the EEC countries—a trade valued at over \$1.8 million. Germany's duty on lard imported in bulk for repacking in Germany has been increased from about 1½ cents per pound to 4.6 cents. Thus, the landed cost, duty paid, of U.S. lard in Germany is now about 16 cents per pound compared with

13 cents before the new levy became effective. Moreover, the duty-paid cost of lard imported by Germany from the Netherlands is now about 14 cents per pound, including the levy of 3 cents per pound.

CURRENT IMPORT DUTIES FOR SPECIFIED MEAT ITEMS IN WEST GERMANY

Item and customs code	Source of imports:			
	Third countries	Netherlands	Belgium	France
	Percent	Percent	Percent	Percent
	<i>ad valorem</i>	<i>ad valorem</i>	<i>ad valorem</i>	<i>ad valorem</i>
Fresh and frozen pork livers and kidneys (ex 02.01)	¹ 20	14	11	7
Pork liver sausages (ex 16.01 ex A)	¹ 24	16	14	9
Other pork liver products (16.02 A exII)	¹ 25	16	14	10
	<i>Cents per pound²</i>	<i>Cents per pound²</i>	<i>Cents per pound²</i>	<i>Cents per pound²</i>
Lard (15.01 AII)	4.6	3.2	2.6	1.6
Fatback, frozen (ex 02.05 AI)	9.0	6.4	5.3	3.3

¹ Duties bound in GATT; throughout the transition period, the rates for EEC countries will progressively decrease. ² Variable levy.

New Canadian Policy on Western Feed Grains

Under measures recently proposed by the Canadian Government and the Canadian Wheat Board, the growing livestock and poultry industries of eastern Canada will be assured an adequate and orderly supply of western feed grains to supplement local production.

The new and broader feed grain policy will replace the present policy of freight assistance on the western grains. If Parliament provides the authority, payment of accrued storage charges will be made on western feed grain in licensed eastern elevators from October 15 to April 15. It is also proposed that freight assistance rates be related to the cost of water movement, plus an allowance for inland transport by rail or truck to provide more uniformity in cost to feeders in different areas both in British Columbia and in eastern Canada.

The Wheat Board has also decided to set up a provisional pricing system—similar to the one in effect for feed wheat—for oats and barley moved from the Lakehead to eastern elevators. Though Board agents will continue

cash purchases from the Board at the Lakehead, they will have the alternative of purchasing with the option of settling the final price at resale—in any event, no later than April 15, or the date the grain is removed from licensed eastern elevators, whichever is earlier.

This policy is intended to encourage earlier and more orderly movement from the Lakehead, as well as removal of the storage cost factor by placing adequate stocks in the east before navigation closes.

Livestock and poultry producers in eastern Canada and British Columbia now use about 85 million bushels of western feed grains annually. Projections of future requirements indicate that 120 million bushels will be required by 1970 and 150 million by 1975. This represents an important and growing market for western feed grains.

NOTE: The following change should be made in the September 16 issue, page 5, column 1. The figure above the picture is 350,000, not 350,000,000.

Multiple Attractions Expected To Draw Thousands to U.S. Amsterdam Exhibition

The appeal of American foods and a sampling of Americana, ranging from a NASA food-in-space exhibit to an American folk music festival, are expected to bring record crowds to the 18-day U.S. Food and Agriculture Exhibition that will open in Amsterdam, the Netherlands, on November 7, the U.S. Department of Agriculture said recently.

Sixty-two U.S. food and agricultural firms already have signed up to exhibit and sell their products at the ultra-modern American food market which will be a principal attraction. Several thousand different American food items will be displayed and sold.

The Exhibition, largest ever sponsored by the Department in its international trade fair program, is being presented in cooperation with the U.S. food and agricultural industry. Visitors from all Western European countries are expected. A purpose of the Exhibition is to promote increased interest in U.S. food and agricultural products throughout Western Europe, the nation's largest export market.

A popular educational feature of the Exhibition is expected to be the "food in space" display presented by the National Aeronautics and Space Administration. In addition to show-

ing the "Sigma Seven" Mercury capsule which was manned by Commander Walter M. Schirra, Jr., during his 6 orbits of the earth on October 3, 1962, the display will show typical squeeze tube foods eaten by American astronauts while in flight.

An entertainment feature running concurrently with the Exhibition will be an American Folk Music Festival, presented by Connie B. Gay, nationally known exponent of American folk music. Like the exhibition, it will be presented in the large RAI Exhibition Building but will be separate from the food and agricultural features. Admission will be on a paid basis and the Folk Music Festival will be largely self-supporting. Music of rural America will be featured at afternoon and evening performances, and will include such typical music as western, mountain, blue grass, Dixieland, and Negro spirituals.

All visitors entering the exhibition will pass through a "theme theater" where they will view an 8-minute motion picture, "Progress Through Trade," before moving on to the displays and food market. This will be a pioneering type of spectacular motion picture, employing a multi-image 70 mm. motion picture projected on

Although food display and sales facilities at the Exhibition are largely booked, some space is still available. U.S. firms wishing to participate should get in touch with the International Trade Fairs Division, U.S. Department of Agriculture, Washington, D.C. 20250.

In Europe, inquiries may be addressed to the Food and Agriculture Information Center for European-American Trade, c/o R.A.I. Exhibition Building, Amsterdam, the Netherlands.

wide screen and emphasizing the mutual advantages of minimum trade barriers and active Atlantic trading relations. Many of its scenes will be taken from the farms and food industry of the United States.

As tangible evidence of the two-way trade theme in action, a special exhibit also will show representative European products which are imported in large volume by U.S. consumers.

Running concurrently with the Exhibition but for the week of November 11-15 will be a European-American Symposium on Food and Agricultural Trade, at which on an invitation basis top leaders in a wide range of fields affected by food and agricultural trade will gather for discussions on trade matters of mutual concern.

Foreign Study Emphasizes Benefits to U.S. Farmers

Research grants to Israel, the Netherlands, and England, awarded by USDA under the P.L. 480 program, are designed to yield specific benefits to U.S. agriculture.

The Hebrew Universities at Jerusalem and Rehoboth, Israel, have received 3-year grants equivalent to \$42,346 and \$38,916 in Israeli pounds, respectively. The study at Jerusalem will analyze effects of weather on minor soil elements to aid

U.S. soil scientists in coping with minor-element soil deficiencies. The Rehoboth institution will study Israel's long-term agricultural programs to evaluate output trends and market prospects for U.S. farm products.

An assessment of seed germination qualities will be made by the Netherlands' seed testing station at Wageningen. The 5-year grant, equal to \$55,917 in Netherlands guilders, will concentrate on influence of seed dis-

ease organisms on germination.

Birkbeck College, London, received a grant equal to \$55,200 in British pounds to do fundamental research on the effect of certain chemicals on cotton cellulose. Chemical modification of cellulose in cotton offers one of the best ways of improving cotton's resistance to heat, rot, weather, and soiling. Improvement in any of these properties would increase the market for cotton.



Sampling poultry and poultry products



Demonstrating product

U.S. Poultry Show at Tokyo Center Aimed at Japanese Trades People

Strong commercial interest in U.S. poultry was shown at the Tokyo Trade Center's special Poultry Show September 9-20 by several thousand Japanese importers, distributors, retailers, restaurant and hotel managers, institutional buyers, and food manufacturers, who attended. In addition, press and TV coverage of a special preview held beforehand brought the show to millions of Japanese readers and viewers.

The Show gave officials of 24 poultry packing firms—like George I.

Purdy of Ocoma Food Products shown above right—an opportunity to demonstrate and sell their products. These covered a complete line of U.S. poultry and poultry products, including egg solids, frozen and canned poultry.

Since many Japanese are familiar with poultry only as a seasoning for rice and noodle dishes, the Show put emphasis on sampling (as above left) and demonstration (as at right) to show how poultry products are prepared in the United States.



Carving turkey

Japanese Tobacco Officials To Visit U.S. Next Month

Three officials of the Japan Monopoly Corporation will spend October and a part of November in the United States observing tobacco manufacturing and sales operations. The Monopoly is sole purchaser of Japanese tobacco imports, two-thirds of which come from the United States.

The trip—which will encompass many of the tobacco States, as well as a number of major U.S. cities—is a tobacco promotion project sponsored jointly by four U.S. tobacco cooperators and FAS.

Four U.S. Commodities Exhibit at Liege Fair

Four U.S. agricultural commodity cooperator groups exhibited at the Liège Commercial Fair in Liège, Belgium, September 7-22.

Shown in the American Pavilion were exhibits of the Soybean Council of America, the U.S. Rice Export Development Association, the Florida Citrus Commission, and the Institute of American Poultry Industries.

The Soybean Council exhibit demonstrated the use of soybean oil in food and soybean flour. U.S. Rice featured rice dishes and sold packages

of rice. The Citrus Commission distributed samples of reconstituted orange juice, and U.S. Poultry highlighted turkey, sampled from two rotisseries.

Hearings Begin This Week On U.S. Grain Standards

Hearings on USDA proposals to update official U.S. wheat standards will begin this week.

The hearings will be held at Kansas City, Mo., on October 1; Minneapolis, Minn., on October 4; Portland, Oregon, on October 8; and Toledo, Ohio, on October 11.

USSR Buys More Wheat, Stops Own Sales

On September 18, only 2 days after the USSR signed an agreement to buy over 200 million bushels of wheat from Canada (*Foreign Agriculture*, Sept. 23), it contracted for 58.5 million bushels from Australia, with an option on another 5 million or 6 million.

Canadian wheat sales to the Soviet Union now add up to a total of 238.5 million bushels, 227.5 million under the new agreement and 11 million previously signed for. The Australian wheat, all to be supplied as flour, brings to 89.4 million bushels the amount of flour bought so far this year by the Soviet Union. Already under contract were 10.6 million bushels from West Germany and 10.3 million from Italy.

Only 6 months ago, the USSR was reported to have sold 48 million bushels of wheat to Brazil, and 8 months ago it made a large wheat sale to Japan. More recently, it promised Cuba 16.5 million bushels of the quantity it had just purchased from Canada; this wheat is to reach Cuba before July 31, 1964.

Within the past 2 weeks, however, European trade sources have reported that the Soviet Union has canceled three of its own commitments to export wheat to Western European countries. The Netherlands was to have received 1.4 million bushels, Finland 2.2 million, and the United Kingdom an amount as yet unspecified.

Thailand Raises Rice Crop Estimate

Thailand harvested a record 9,158,000 metric tons of rough rice in 1962-63, according to the second official estimate released early in September. This is 232,000 tons, or 2.6 percent, higher than the previous estimate.

The bumper crop is attributed to a 9-percent increase in harvested acreage, greater use of good-variety seeds, and generally favorable weather throughout the season. The highest crop yields ever attained were harvested.

The record 16.3 million acres planted to rice were 1.1 million more than in 1961-62, and 2.1 million above the average from 1955-56 through 1959-60. Losses by floods, drought, and insects of about 1 million acres were lower than average. The 15,333,000 acres harvested, therefore, were also the highest on record.

Using this latest estimate of production, Thailand is now in a position to export 1.5 million metric tons of milled rice in 1963, compared with the previous target of 1.3 million. Should the surplus not all be exported in 1963, the remainder will provide carryover stocks for export in 1964.

Although late rains at the outset of the 1963-64 season prevented the planting of all the intended acreage, the rice crop is doing well. New crop supplies are now expected to be available in November.

This 1963-64 crop is forecast at about 10 percent below the 1962-63 record, and about the same as the 1961-62

harvest. Glutinous rice production is also estimated about equal to that of 1961-62. In that year production totaled 8,246,000 tons of rough rice, 5,277,000 of nonglutinous, and 2,969,000 of glutinous rice.

RICE (ROUGH): THAILAND'S ACREAGE AND PRODUCTION 1962-63, WITH COMPARISONS

Year	Harvested acreage	Yield per acre	Production	
	1,000 acres	Pounds	1,000 metric tons	Million cwt.
Average:				
1955-56/59-60 ...	12,808	1,219	7,084	156.18
1960-61	14,029	1,224	7,789	171.72
1961-62	14,017	1,297	8,246	181.79
1962-63	15,333	1,317	9,158	201.90

Compiled from official sources.

Canada Harvesting Large Grain Crop

Canada's 1963 grain harvest promises to be about 20 percent above the 1951-60 average, on the basis of the August forecast of the Dominion Bureau of Statistics. Quality of the threshed grain is fair to good except in Manitoba where it is described as variable.

Production of oats for grain, as forecast at 441 million bushels is above the 10-year average but 11 percent below the 1962 outturn. Barley production of 204 million bushels is below average but 23 percent above the 1962 harvest.

GRAIN: CANADA, ACREAGE AND PRODUCTION, 1962 AND 1963

Grain	Acreage		Yield per acre		Production	
	1962	1963 ¹	1962	1963 ¹	1962	1963 ¹
	1,000 acres	1,000 acres	Bu.	Bu.	1,000 bushels	1,000 bushels
Wheat:						
Winter	450	442	35.1	42.1	15,795	18,608
Spring ² ...	26,367	27,124	20.9	24.9	549,759	675,723
Total wheat ...	26,817	27,566	21.1	25.2	565,554	694,331
Oats for grain	10,591	9,488	46.6	46.5	493,610	441,448
Barley	5,287	6,160	31.4	33.1	165,888	204,086
Rye	624	652	19.3	20.2	12,044	13,131
Mixed grains	1,522	1,411	47.4	47.9	72,186	67,660

¹ Preliminary forecast. ² Includes about 66 million bushels of durum in 1962 and 51 million in 1963.

Ghana Buys Silos For Corn

The Government of Ghana has used \$280,000 generated from the sale of P.L. 480 corn in the purchase of 54 metal silos—each with a capacity of 2,250 bushels—from an American firm. The funds came from the sale of approximately 5,000 tons of corn, which was granted to Ghana late in 1959 under Title II to alleviate the acute famine then existing in the north.

The silos, which are currently being assembled, will serve as granaries for future surpluses that will help to alleviate recurrent food shortages in northern Ghana. It

is also anticipated that with ample storage facilities increased production as well as imports will be encouraged.

U.S. Feed Grain Exports Down in July

U.S. feed grain exports totaled 1.2 million metric tons during July 1963—about 3 percent less than shipments in the same month of 1962.

Exports of all types of feed grains were down except corn, which showed a slight increase.

A table showing exports to principal countries and a detailed story will appear in the September issue of *World Agricultural Production and Trade: Statistical Report*.

New Zealand's Leaf Tobacco Imports Declining

New Zealand's imports of unmanufactured tobacco in 1962 continued downward for the third consecutive year. Imports last year totaled 6.0 million pounds, compared with 6.3 million in 1961 and the 1955-59 average of 7.0 million. Reduced imports from the United States more than offset stepped-up takings from the Rhodesias-Nyasaland, the Republic of South Africa, Indonesia, Brazil, Greece, and Turkey.

TOBACCO, UNMANUFACTURED: NEW ZEALAND, IMPORTS BY COUNTRY OF ORIGIN, 1960-62

Origin	1960	1961	1962 ¹
	1,000	1,000	1,000
	pounds	pounds	pounds
United States	5,477	5,163	4,443
Rhodesias-Nyasaland	892	1,011	1,234
South Africa, Rep. of	94	70	186
Indonesia	38	19	51
Brazil	9	7	26
Greece	6	8	18
Turkey	1	14	18
Others	9	—	17
Total	6,526	6,292	5,993

¹ Preliminary; subject to revision.

Imports of U.S. leaf last year, at 4.4 million pounds, were down by 14 percent from the 1961 level of 5.2 million pounds and by one-third from the 1955-59 average of 6.8 million. However, imports from the Rhodesias-Nyasaland, the Republic of South Africa, and Indonesia, have risen substantially since the late 1950's. Takings from the Rhodesias-Nyasaland during 1962 totaled 1.2 million pounds, compared with 1.0 million in 1961, .4 million in 1959, and only 27,000 pounds in 1957. Imports from the Republic of South Africa rose from 70,000 pounds in 1961 to 186,000. Combined imports from Greece and Turkey in 1962 amounted to 36,000 pounds, compared with 22,000 pounds during the previous year.

West German Cigarette Sales Up

Cigarette sales in West Germany (including West Berlin) during the first half of 1963 totaled 40.6 billion pieces—up 1.6 percent from the 39.9 billion sold during the same period last year.

Cigar sales amounted to 1.8 billion pieces, compared with 1.9 billion in January-June 1962. Sales of fine cut tobacco were up by 2.4 percent; whereas, sales of pipe to-

bacco were down by 2.2 percent. Sales of chewing tobacco were down 6.9 percent.

Central African's Tobacco Trade Decreases

The Central African Republic's exports of unmanufactured tobacco during 1962 totaled 646,000 pounds—down 28 percent from the 893,000 pounds exported in 1961. Breakdown of export shipments by country of destination is not currently available.

Central Africa's imports of tobacco (leaf and products) were also down. Imports in 1962 amounted to only 26,000 pounds, compared with 68,000 pounds during the previous year.

Jordan's Cigarette Output Continues to Rise

Cigarette output in Jordan continued to rise through 1962. Production last year totaled 2,250,000 pounds, compared with 2,110,000 in 1961 and the 1955-59 average of 1,530,000.

Production of tobacco last year amounted to 108,000 pounds, compared with 102,000 pounds in 1961.

Bad Weather Damages French Prune Crop

Continued heavy rainfall during August, some hail damage, and outbreaks of Monilia have considerably reduced earlier prospects of a bumper 1963 dried prune pack in France. Current indications are for a pack of approximately 12,000 short tons; earlier, the pack was expected to exceed 15,000 tons. The 12,000-ton estimate is still preliminary, as the full extent of the damage is not yet completely known. At 12,000 tons the 1963 pack would be more than double the 5-year average (1956-60) of 5,900 tons. However, it would be smaller than the large 1962 pack of 13,200 tons. Sizes are also expected to be smaller than last year.

Beginning stocks were exceptionally high; the carryover of 1962-crop prunes on August 1 has been estimated at 3,200 tons as against a normally negligible carryover.

As a result of marketing problems encountered by the large 1962 crop and also anticipated during the current and future seasons, an effort is under way to organize the production and marketing of dried prunes. Recently an "intratrade agreement" was reached to set up a contractual system under which growers will deliver prunes to the packers at fixed prices.

DRIED PRUNES: FRANCE, SUPPLY AND DISTRIBUTION, MARKETING SEASONS, 1961-62 THROUGH 1963-64

Item	Season beginning August 1		
	1961-62	1962-63	Forecast 1963-64
	Short tons	Short tons	Short tons
Beginning stocks	400	200	3,200
Production	7,200	13,200	12,000
Imports	5,800	4,800	4,500
Total supply	13,400	18,200	19,700
Exports	1,200	900	2,000
Domestic disappearance	12,000	14,100	14,300
Ending stocks	200	3,200	3,400
Total distribution	13,400	18,200	19,700

In connection with this agreement, a tax on prunes sold in France was approved by the Ministries of Agriculture and Economic Affairs on August 20. The tax—5 percent on imported prunes and 9 percent on domestic prunes—will be used to finance the expansion of prune consumption. Means such as publicity campaigns, quality improvement, and export subsidies may be used. (A translation of this tax decree will shortly be available in a FAS Circular.)

Imports are expected to be substantial this season, too, despite the heavy supplies, because of the demand for large sizes and may approximate 4,500 tons compared with 4,800 tons last season. The United States which supplied 89 percent and 92 percent of French imports in 1961-62 and 1962-63 respectively is again expected to be the main supplier. Interestingly, France exported 113 tons and 38 tons in 1961-62 and 1962-63 respectively to the United States.

Although the French trade feels that exports approximating 2,000 tons may be achieved, it should be noted that French prices, for all but the smallest sizes, have usually been considerably above those of competing prunes.

PRUNES: FRANCE, FOREIGN TRADE, MARKETING SEASONS, 1960-61 THROUGH 1962-63

COUNTRY	Season beginning August 1		
	1960-61	1961-62	1962-63
Imports:	<i>Short tons</i>	<i>Short tons</i>	<i>Short tons</i>
United States	5,353	5,137	4,414
Yugoslavia	1,056	510	338
Italy	66	53	13
Turkey	28	6	6
Portugal	23	42	5
Others	73	52	10
Total	6,599	5,800	4,786
Exports:			
United States	0	113	38
Germany, West	0	142	2
Martinique	19	28	26
Netherlands	0	375	191
Algeria	311	306	561
Others	46	138	75
Total	376	1,102	893

West Germany Reneges on Apple Tender

The Government of West Germany has announced an embargo on fresh apples of EEC quality Class I with the exception of the "Delicious Group", Cox, Stayman/Winesap, Boskoop, Jonathan, and Ingrid Marie.

Effective September 21, the embargo applies to the EEC as well as third countries, including the United States and Canada. Because the embargo comes at the start of the harvest and has a global application, its effect is likely to be felt more severely by Italy than most other suppliers, particularly since most Italian varieties are covered by the embargo. However, this does not minimize the U.S. exporters' problems. The embargo announcement comes less than 10 days after the Federal Republic announced an import tender for U.S. and Canadian apples of Class Extra and Class I and almost simultaneously with an interim agreement between the U.S. and the Federal Republic on grade equivalency. (See following story.)

U.S. and Germany Agree on Apple & Pear Grades

A recent West German announcement of opening of trade on apples and pears was given in terms of EEC grades, which meant the United States had to get a re-statement in U.S. terms in order to facilitate movement of its fruit into West Germany.

An agreement has been reached on the following four major points. (This is an interim arrangement, pending agreement by the entire EEC, now under consideration.)

- Apples: U.S. Extra Fancy is equivalent to EEC Extra Class; U.S. No. 1 is equivalent to EEC Class I.
- Pears: U.S. Extra No. 1 is equivalent to EEC Extra Class; U.S. No. 1 is equivalent to EEC Class I.
- Certificates of inspection issued by appropriate U.S. authorities will be accepted as evidence of equivalencies.
- U.S. shipments will be marked only in U.S. terminology.

1963 European Onion Situation

The Netherlands is an important exporter of fall and winter onions in Northern Europe. In 1963, that country had 14,500 acres planted to onions, compared with 13,000 in 1962 and 11,000 in 1961. Excessive rains during August delayed the crop, and its size may be below normal. However, weather improved in early September, and if favorable weather continues for the balance of the month, the harvest will be completed and yields per acre may be near average. Present exports now average about 4,000 metric tons a week; most go to West Germany and the United Kingdom. Grower prices ranged from \$1.75 to \$1.88 per 100 pounds, and picklers' prices are \$3.15 per hundred weight.

Spain also has a large crop, exports up to mid-September are about 20,000 metric tons ahead of those for same periods last year. The Saragossa District reports there are 35,000 metric tons of onions now available for export, which are being offered at \$1.55 to \$1.70 per 55-pound bag for winter delivery, this price includes cost and freight to U.K. ports.

Brazil to Get Onion Dehydration Plant

The Bulgarian Government has agreed to construct a dehydration plant primarily for onions in Cabrobo, north-eastern Brazil. The plant will be operated by the State Government and is expected to cost about U.S. \$500,000. Bulgaria will supply the industrial equipment in exchange for cotton, coffee, sisal, and other Brazilian products. The facility will be capable of dehydrating onions, fruits, and cereals at the rate of 50 metric tons per day. (The onions can be powdered or sliced.)

Brazilian technicians may receive scholarships for training in farming practices in Bulgaria.

Brazil Rescinds Cotton Export Assessment

The Brazilian Government recently rescinded its policy of retaining 40 cruzeiros (600 cruzeiros = \$1.00) out

of each 600 cruzeiros worth of cotton exported. This action will place Brazilian cotton in a more competitive export position. The 40-cruzeiro retention, put into effect last April 22, had originally been intended for use in promoting cotton production and in modernizing textile mills. At that time, the cruzeiro was devalued from 460 to 600 per dollar.

Canadian Mills Use More Cotton in August

Canadian cotton consumption, indicated by the number of bales opened by mills, was 35,000 bales (500 pounds gross) in August—the first month of the 1963-64 season. This was considerably more than the seasonally low consumption of 23,000 bales in July, and above the 31,000 bales consumed in August 1962.

Brazil's Soybean Production Still Rising

Brazil's 1963 soybean production is estimated unofficially at about 12.9 million bushels, one-fourth above the production estimate for 1962 of 10.3 million.

The new minimum price for 1964-crop beans, at Cr \$2,400 per 60-kilogram bag, is much lower than the current market price and could affect plantings this fall. Soybeans sold on August 30 brought up to Cr \$3,000. Prices of beans for export as of early September were \$95 per metric ton (\$2.59 per bushel).

Exports of soybeans in 1962 at 3.6 million bushels earned over U.S. \$8 million in foreign exchange. The major market was West Germany, which took 1.5 million bushels.

Soybean meal exports, at 54,079 short tons, earned over \$3 million. Over 32,000 tons went to West Germany. Trade estimates place exports of beans and meal during January-June 1963 at about 2.8 million bushels and 39,000 tons, respectively.

A large Brazilian company is attempting to further soybean production by purchasing seed to give to farmers and by giving them technical assistance. The company intends to maintain or increase soybean production in order to keep up with the growing market for oil and oilcake. Expansion in the future will depend upon the availability of land and the prices received by farmers. If demand continues good and if higher prices are paid for the remaining quantities of the 1963 crop, production in 1964 may be higher than presently forecast.

Philippines Export More Copra, Coconut Oil

Recorded copra and coconut oil exports from the Philippines in January-August, as compiled from monthly data on registered shipments, totaled 557,467 and 133,235 long tons, respectively. Exports in the comparable period of 1962 amounted to 484,394 tons of copra and 65,755 tons of coconut oil.

The combined exports of copra and coconut oil in the first 8 months of 1963, on an oil equivalent basis, totaled 484,439 tons, compared with 370,923 in the same period of 1962—an increase of 31 percent.

Japan's Soybean Imports and Consumption Up

Japan's imports of soybeans in the Japanese fiscal year, beginning April 1963, are estimated by the Ministry of Agriculture at about 1,360,000 metric tons (50 million bushels)—an increase of 6 percent from the 1962 fiscal year. However, since imports during January-July 1963 at 902,930 tons (33 million bushels) were 13 percent above the comparable period last year, total imports in the Japanese fiscal year 1963 are expected to be above the Ministry's estimate. The United States supplied 86 percent of the January-July imports, and Communist China supplied 14 percent.

JAPAN: SOYBEANS, GOVERNMENT SUPPLY AND DEMAND PROGRAM, JAPANESE FISCAL YEARS 1961-63¹

Year beginning April 1	1961	1962	1963
Supply:	1,000	1,000	1,000
Beginning stocks—	<i>metric tons</i>	<i>metric tons</i>	<i>metric tons</i>
Domestic products	16	11	13
Imports	92	91	109
Total	108	102	122
Production	178	166	156
Imports	1,176	1,284	1,360
Total supply	1,462	1,552	1,638
Distribution:			
Consumption—			
Food:			
Domestic products	183	164	156
Imports	292	306	318
Total	475	470	474
Oil:			
Imports	885	960	1,042
Total consumption	1,360	1,430	1,516
Ending stocks:			
Domestic products	11	13	13
Imports	91	109	109
Total	102	122	122
Total distribution	1,462	1,552	1,638

¹ Excluding consumption on farms.

Ministry of Agriculture and Forestry.

Total consumption of soybeans in Japan's 1963 fiscal year is estimated at 1.5 million tons (55.7 million bushels)—6 percent above the previous year. Of this total, about 69 percent is expected to be crushed and 31 percent consumed as food.

Area planted to soybeans in 1963 declined, for the ninth successive year—this year by 10 percent to 593,000 acres. The reduction is attributed to the possibility of import liberalization of oil and meal and to below-normal temperatures at planting time. Growing conditions so far this year are reported to be normal and production is estimated at 295,000 tons (10.8 million bushels) compared with 335,800 (12.3 million) last year.

Liberalization of imported soybean oil and soybean meal is expected to be postponed until sometime in 1964. Soybean imports were liberalized July 1, 1961. The Food Agency has been studying the effects elimination of the import duty might have on soybeans, but as yet no decision has been reported. If the duty on soybean imports is eliminated, adjustments in tariffs on imports of all other oilseeds also are expected to be made.

Indonesia's Exports of Copra, Palm Products

Registered exports of copra from Indonesia in January-April 1963, at 36,410 long tons, were up by more than one-third from the 26,804-ton volume exported in the corresponding period of 1962.

Exports of palm oil in January-April amounted to 29,220 short tons, against 38,714 tons in the same period of 1962—down by one-fourth. Registered exports of palm kernels were 11,538 tons in contrast to the 11,868 exported in the 1962 period.

Canadian Exports of Meat and Livestock

Canadian meat exports in the first 8 months of 1963 amounted to 122 million pounds, only slightly less than a year earlier. Exports to the United States declined moderately.

Exports of beef and veal to all countries in the 8 months totaled over 14 million pounds and were 3 percent higher than those in the same 1962 period. Pork exports, at 32 million pounds, were down 5 percent from 1962, owing to the cutback in pork production during early 1963.

During the period, the United States took 83 percent of Canada's exports of beef and veal and 80 percent of its pork exports compared with 90 and 84 percent, respectively, for the same period in 1962.

Canadian exports of beef cattle to the United States totaled nearly 63,000 head—down 38 percent from the same period in 1962. This reduction was due mainly to decreased U.S. demand for Canadian feeder cattle.

CANADIAN EXPORTS OF BEEF CATTLE TO THE U.S. JAN.-AUG. 1962-63

Item	1962	1963
	<i>1,000 head</i>	<i>1,000 head</i>
Slaughter cattle:		
Over 700 lbs.	23.1	15.8
200-700 lbs.	1.1	.4
Total	24.2	16.2
Feeder cattle:		
Over 700 lbs.	18.0	17.0
200-700 lbs.	58.9	29.6
Total	76.9	46.6
Total beef cattle	101.1	62.8

Canadian Dept. of Agriculture.

CANADIAN EXPORTS OF MEATS TO THE U.S. AND ALL COUNTRIES JAN.-AUG. 1962-63

Item	1962			1963		
	U.S.	Total	Percent to U.S.	U.S.	Total	Percent to U.S.
	<i>Mil. lb.</i>	<i>Mil. lb.</i>		<i>Mil. lb.</i>	<i>Mil. lb.</i>	
Beef & veal	12.3	13.7	90	11.8	14.2	83
Pork:						
Fresh or frozen ...	24.8	25.2	98	21.8	21.9	99
Cured & smoked ...	3.8	8.7	32	4.0	10.2	39
Total pork	28.6	33.9	84	25.8	32.1	80
Lamb & mutton	12.3	13.7	90	12.3	14.2	87
Other meats	10.9	28.4	38	10.3	29.3	35
Total	92.7	123.6	75	86.0	121.9	71

Canadian Dept. of Agriculture.

Australian Meat Moves to the U.S.

Two ships left Australia the last week of August with 8,057,280 pounds of beef, 315,840 pounds of mutton, 2,240 pounds of lamb, and 40,320 pounds of variety meats for the United States.

Ship and sailing date	Destination ¹	Arrival date	Cargo	Quantity
	<i>Eastern and Gulf ports:</i>			<i>Pounds</i>
Nottingham Aug. 27	Tampa	Sept. 25	{ Beef	228,480
			{ Mutton	143,360
	Charleston	29	{ Beef	627,200
	Norfolk	Oct. 1	{ Beef	309,120
			{ Var. meats	2,240
	Philadelphia	3	{ Beef	663,040
			{ Lamb	2,240
	New York	5	{ Beef	4,137,280
			{ Mutton	56,000
			{ Var. meats	31,360
Rockhampton Star ² Aug. 25	Boston	14	{ Beef	1,043,840
			{ Mutton	49,280
			{ Var. meats	6,720
	New Orleans	Sept. 16	{ Beef	217,280
	Tampa	20	{ Beef	154,560
Monterey Aug. 29	Charleston	24	{ Beef	82,880
	Philadelphia	26	{ Beef	365,120
	New York	30	{ Beef	116,480
	Boston	Oct 4	{ Beef	60,480
	<i>Western ports:</i>			
	San Francisco	Sept. 19	{ Beef	463,680
			{ Mutton	67,200
	Los Angeles	20	{ Beef	584,640

¹ Cities listed indicate location of purchaser and usually the port of arrival and general market area, but meat may be diverted to other areas for sale. ² In addition to amounts reported in *Foreign Agriculture*, September 23, 1963.

Colombia Bans Tallow Imports

The Colombian Ministry of Development announced on September 6 that importation of inedible tallow has been prohibited for an indefinite period.

The purpose of the ban is to stimulate local production to meet the increased demand for soap resulting in part from a recent soap promotion program in which the United States participated. As an incentive measure, the subsidy paid to producers will be raised from about 2 cents per pound to just over 3 cents.

The Colombian tallow market has expanded rapidly in the last 5 years and imports have tripled, reaching 31 million pounds in 1962. The United States has been the major supplier, accounting for about 70 percent of the market in 1962.

Argentine Meat Packing Plant To Close

The La Blanca meat packing plant, located in the southern district of Buenos Aires, is apparently going to cease operations on November 1, 1963, according to *Comtel-Renter*. A subsidiary of International Packers, the La Blanca plant has been in operation for 60 years and is, according to trade officials, technically obsolete.

Sao Paulo Coffee Growers To Get Aid

The Bank of Brazil announced on August 17 that it will assist coffee farmers in Sao Paulo—the second largest

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coffee producing State in Brazil—whose crops were partly destroyed by the recent frost. Under this program, individual loans will be raised from the present ceiling of 1 million cruzeiros to 5 million cruzeiros (600 cruzeiros = U.S. \$1.00). The Bank will extend an emergency loan of 500,000 cruzeiros to enable the coffee farmer to grow other crops besides coffee along with longer lines of credit for the purchase of fertilizers. A system under which the coffee farmer will be permitted to mortgage farm machinery, animals, and land against long-term loans has also been devised.

Damage to coffee plantations by frost, although less widespread in Sao Paulo than in Parana, is nevertheless substantial. First estimates put damages at 10 to 13 percent, which would reduce significantly next year's crop.

Uganda Suspends Coffee Exports

On August 28 the Uganda Government published regulations permitting the Coffee Marketing Board to prohibit exports of Uganda's processed coffee from East Africa, if it appears they will exceed the quota fixed under the International Coffee Agreement. Two days later, on August 30, an order signed by the Chairman of the Coffee Marketing Board was issued, prohibiting exports of all types of processed coffee to quota markets until September 30, the end of the coffee year. This prohibition does not apply to coffee exported under direct control of the Board.

According to an official press release, the ban on exports was necessary because shipments of Uganda coffee from Mombasa in July and August were unexpectedly heavy, so that the quota for the year ending on September 30 was virtually filled by the third week in August.

Uganda recently passed a Coffee (Amendment) Bill which prohibits the export of unprocessed coffee. Considerable revenue is reported to have been lost in the past by

the export of unprocessed coffee, most of which went to Kenya. In addition, the bill prohibits buyers from purchasing coffee in districts other than their own.

United Kingdom Sells More Canned Milk

The United Kingdom exported 25 million pounds of condensed whole milk in the first half of 1963, compared with 19 million pounds in the same period of 1962. Sales to Malaya, the principal market, increased slightly to 12.4 million pounds. Shipments to Trinidad increased from only 208,000 pounds in the first half of 1962 to 2 million in the same period of this year. Sales to Burma, a new market, were also 2 million pounds.

Evaporated whole milk shipments were up by 36 percent to 19 million pounds. Countries that expanded their purchases included the Philippine Republic, from 1 million pounds to 4 million; Malaya, from 2 million to 3 million; and Malta, from 1 million to 2 million.

Imports of canned milk were 10 million pounds—2 million pounds less than a year earlier; a reduction in shipments from the Netherlands, the chief supplier, accounted for this decline.

Japan Increases Imports of Cheddar Cheese

During the first 7 months of 1963, Japan imported 8.2 million pounds of natural Cheddar cheese, compared with only 4.8 million in the same months of 1962. Australia was the principal supplier, followed by New Zealand and Norway.

Natural Cheddar cheese is the only dairy commodity that is permitted free entry into Japan. Both Australia and New Zealand are trying to enlarge their cheese market in Japan and are also seeking the further liberalization of other dairy products.